



USFR MEMORANDUM NO. 226

TO: School District Administrators; County School Superintendents

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education

DATE: November 28, 2006

SUBJECT: Reimbursement of Travel Expenses (Supersedes USFR Memorandum Nos. 210 and 217)

The Arizona Department of Administration (DOA) recently revised the Travel Policy section of the Arizona Accounting Manual that sets new reimbursement rates for mileage, lodging, and meals and incidentals. The new rates for mileage, lodging, and meals and incidentals became effective for travel on or after **November 15, 2006**. A copy of the updated reimbursement rate index is available for download in Adobe Acrobat format (PDF) from DOA's Web site at www.gao.state.az.us/travel.

Mileage

In accordance with Arizona Revised Statutes (A.R.S.) §§15-342 and 38-623, districts must reimburse employees and board members for mileage at the standard rate established by DOA. Effective November 15, 2006, the mileage reimbursement rate for privately owned motor vehicles is 44.5 cents per mile and the mileage reimbursement rate for private aircraft is 99.5 cents per mile, based on the shortest air route from origin to destination. Landing and parking fees are reimbursable except at the location where the aircraft is normally based.

Lodging, Meals and Incidentals

A.R.S. §15-342(5) requires school district governing boards to prescribe procedures and amounts for reimbursing lodging and subsistence expenses incurred for district purposes. However, reimbursement must not exceed the maximum amounts established by the Director of DOA and approved by the Joint Legislative Budget Committee pursuant to A.R.S. §38-624(C). The lodging rates are exclusive of taxes; therefore, districts may reimburse employees for actual expenses up to the maximum lodging reimbursement amounts listed in DOA's reimbursement rate index plus any applicable taxes. If two employees share lodging while traveling, the reimbursement amount per person may not exceed the allowable single-room rate plus tax.

To be eligible for reimbursement, employees must be in authorized travel status and be at least 35 miles from their duty post and home. Lodging receipts must be itemized and include the name, address, and telephone number of the establishment; and travel claims must indicate the time and place travel begins and ends, odometer readings, and employee and authorized signatures.

Although the lodging reimbursement rate generally may not exceed the listed maximum, an exception may be made for conference lodging. DOA guidelines allow employees staying at a conference-designated hotel to be reimbursed at the conference-lodging rate. Conference-designated lodging includes lodging at the hotel at which the conference is being held or other hotels listed in the conference brochure. Accommodations at alternate hotels in the immediate vicinity of the conference may be considered as conference-designated lodging when no vacancies exist at the hotels listed in the conference brochure. However, reimbursement for lodging may not exceed the conference hotel's least expensive single-room rate plus tax. A copy of the conference brochure must be submitted with the travel claim to support the excess reimbursement.

To use DOA's reimbursement rate index, first locate the state to which the employee will travel. If the specific city is listed in the index, use those lodging/meal rates. If the city is not listed, refer to the county in which the city is located and use the applicable rates. If the county is not listed, use the following default rates:

Lodging	\$60.00
Meals & Incidentals	\$34.00

Meal reimbursements include the actual amount spent for a meal, not to exceed the maximum meal reimbursement amounts. When necessary, the meal and incidental expense rate should be allocated between meals as follows:

Breakfast	\$ 7.00	\$ 8.00	\$ 9.00	\$ 10.00	\$ 11.00	\$ 12.00
Lunch	10.00	11.00	13.00	14.00	16.00	17.00
Dinner	<u>17.00</u>	<u>20.00</u>	<u>22.00</u>	<u>25.00</u>	<u>27.00</u>	<u>30.00</u>
	\$34.00	\$39.00	\$44.00	\$ 49.00	\$ 54.00	\$ 59.00

To obtain the lodging and meal reimbursement rates for Alaska, Hawaii, and out-of-country locations, contact the General Accounting Office of DOA at (602) 542-1750, or download the rates at www.state.gov/m/a/als/prdm. If using this method, print a copy to include with the travel claim as support for the rate used. The meal and incidental expense rate quoted by DOA should be allocated between meals as follows: 20 percent for breakfast, 25 percent for lunch, and 55 percent for dinner.

A meal reimbursement cannot be claimed when substantial meals are provided at no expense to the employee at a state institution, on an airplane, included in conference registration fees, or provided on a complimentary basis by the facility where the employee is lodged. A substantial meal is one that contains a serving of protein in the form of meat, poultry, fish, seafood, or eggs.

If you have questions or need assistance, please call the Office of the Auditor General, Accounting Services Division at (602) 553-0333, or the Arizona Department of Education, School Finance Operations Unit at (602) 542-5695.

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